



University of
NORTH ALABAMA

FOUNDATION

**BUDGET, FINANCE & AUDIT COMMITTEE
UNA FOUNDATION**

Friday, July 23, 2021; 10:30 – 11:30 a.m.

The Guillot University Center – Banquet Hall D

AGENDA

- I. Welcome.....Chuck Hunt '93, *Chair*
- II. Review of Prior Meeting Minutes.....Chuck Hunt
- III. Review of Development Goals.....Kevin Haslam
- IV. Review of Foundation Financial Statements.....Gwen Patrick
- V. Proposed Budget for Fiscal Year 2022.....Chuck Hunt

MEMBERS

| | | |
|-------------------------------------|----------------------------|---------------------------------------|
| <i>Chuck Hunt '95, Chair</i> | <i>Kyle Buchanan</i> | <i>Kevin Haslam (ex-officio)</i> |
| <i>Cathy Miller '83, Vice Chair</i> | <i>Steve Jager '83</i> | <i>Evan Thornton '15 (ex-officio)</i> |
| <i>Larry Bowser</i> | <i>Matthew Schmitz '00</i> | <i>Lucy Trousdale '89</i> |

Gwen Patrick '83, Staff Liaison

ARTICLE V, Section 2

The UNA Vice President for University Advancement/Executive Director and the UNA Vice President for Business and Financial Affairs/Treasurer shall serve as staff to the Committee. The Budget, Finance and Audit Committee shall submit for approval to the Board of Directors its recommendations as to an annual budget for the UNA Foundation. The Committee shall review the annual audit (in preliminary and final forms) of the Foundation prepared by the independent auditing firm then servicing the Foundation, shall present the annual audit report to the Executive Committee and the Board of Directors for approval and shall recommend to the Executive Committee and Board of Directors such other policies as it deems necessary and appropriate to assure the prudent oversight of the business and financial affairs of the Foundation. The Chair of this committee also serves as Treasurer of the Foundation Board of Directors and of the Board's Executive Committee.



University of
NORTH ALABAMA
FOUNDATION

**MINUTES
BUDGET, FINANCE AND AUDIT COMMITTEE
UNA FOUNDATION**

Friday, March 12, 2021; 9:30 a.m. – 10:30 a.m.

Zoom Videoconference

Present: Vice Chair Cathy Miller, Kyle Buchanan, Steve Jager, Kyle Buchanan, Matthew Schmitz, Evan Thornton (ex-officio) and Foundation Executive Director Kevin Haslam (ex-officio).

Not Present: Larry Bowser, Chuck Hunt and Lucy Trousdale

Staff Liaison: Gwen Patrick

The meeting was called to order at 9:30 a.m. Vice Chair Miller welcomed new committee members and each member provided a brief introduction.

Vice Chair Miller reviewed minutes from the November 13, 2020 Budget, Finance, and Audit Committee meeting and recommended a change to the meeting start time from 9:05 a.m. to 9:35 a.m. Mr. Jager made a motion to approve the minutes with the time change. Evan Thornton provided a second and all members voted in favor.

Vice Chair Miller introduced Jeremy Blackburn with CDPA, PC and requested that he proceed to review the audited financial statements for the University of North Alabama Foundation, Inc. for the year ended September 30, 2020. Mr. Blackburn supplied a *Report to the Board of Directors* for the Committees review which described the Board of Director's responsibilities and his firm's responsibilities. He then proceeded to discuss how the firm used statistical sampling based on the Foundation's internal controls to examine the accounting records. Only one adjustment to the financial statements was required due to the timing of the payment of an invoice. The Uncorrected Misstatements in the *Report to the Board of Directors* referred to the difference between the Foundation's actuarial software (which calculates annuity liability) and the auditor's software. No adjustment to the financial statements was necessary due to this difference. Mr. Blackburn then reviewed the audited financial statements and the accompanying notes. The statements were issued with an unmodified opinion and he encountered no issues in preparing the statements. Mr. Buchanan made a motion to accept the audited financial statements as presented. Mr. Schmitz provided a second and all members voted in favor. During the presentation, Mr. Blackburn compared Fiscal Year 2020 Audited Financial Statements with Fiscal Year 2019 Audited Financial Statements. After discussion, the committee requested that comparative statements be issued in the future.

Executive Director Haslam then reviewed the Fiscal Year 2021 Development Goals with the committee. 42% of the Fiscal Year has elapsed and the Foundation has reached 87% of its annual goal as of March 4, 2021. \$4,558,761.62 has been raised versus a goal of \$5,210,301.00. Also, it was emphasized that there have been

1,193 unique donors versus a goal of 2,152 for the same time period. Mr. Schmitz asked how many of these unique donors were alumni and a discussion ensued regarding this topic.

Gwen Patrick proceeded to review the statement reflecting the Actual Unrestricted Income and Expenses to Budget as of January 31, 2021. Due to successful fundraising and market performance, it is expected that revenue will exceed the budgeted amount for the fiscal year. Expenses were below normal for the first quadrimester due to several holidays but have been increasing lately. Ms. Patrick also reviewed a Statement of Financial Position and Statement of Activities for January 31, 2021 which reflected market gains that increased Total Assets from the previous reporting period. The committee then discussed options for liquid investments due to a decline in interest rates on existing accounts.

Mr. Thornton made a motion to adjourn the meeting, Mr. Schmitz provided a second and the meeting was adjourned at 10:31. a.m.

UNA FOUNDATION

**Proposed Unrestricted Operating Budget
Budget Fiscal Years 2021-2022**

| | Budget Fiscal Year 2022 | Budget Fiscal Year 2021 | Change Year Over Year |
|--|----------------------------|----------------------------|--------------------------|
| Restricted for University Priorities | | | |
| Prior Year's Budget Surplus | 140,000.00 | 110,000.00 | |
| Income | | | |
| 1830 Fund | 120,000.00 | 150,000.00 | (30,000.00) |
| Expenses | | | |
| University Priorities | 210,000.00 | 210,000.00 | - |
| President's Discretionary Fund | 50,000.00 | 50,000.00 | - |
| | 260,000.00 | 260,000.00 | - |
| Net Income for University Priorities | - | - | |
| Unrestricted | | | |
| Prior Year's Budget Surplus | 69,150.00 | 40,000.00 | |
| Income | | | |
| 1% Fee on Endowed Funds | 356,000.00 | 295,000.00 | 61,000.00 |
| 2% Fee on Current Use Funds | 45,000.00 | 50,000.00 | (5,000.00) |
| Interest Income | 30,000.00 | 20,000.00 | 10,000.00 |
| | 431,000.00 | 365,000.00 | 66,000.00 |
| Expenses | | | |
| Fundraising/Cultivation Activities | 250,800.00 | 176,150.00 | 74,650.00 |
| Foundation Operating Expenses | 174,350.00 | 153,850.00 | 20,500.00 |
| General Program Support | 75,000.00 | 75,000.00 | - |
| | 500,150.00 | 405,000.00 | 95,150.00 |
| Net Unrestricted Income | - | - | |
| Net University Priorities and Unrestricted Income | - | - | |

UNA FOUNDATION

Detail of Foundation Cash Accounts

July 16, 2021

| | Unrestricted | Restricted | Total |
|---------------------------------------|----------------------|-----------------|-----------------|
| CB&S Bank Checking | \$ 664,609.89 | \$ 5,060,873.33 | \$ 5,725,483.22 |
| Less Reserve | (166,250.00) | | |
| Net Checking and CDs Available | \$ 498,359.89 | | |

CURRENT RATES:

CB&S Bank

0.55%

UNA FOUNDATION

Budget vs. Actual

Fiscal Year through June 2021 - Unaudited

| | Actual Fiscal YTD | Fiscal Year Budget | Over (Under) Budget |
|---|------------------------------|-------------------------------|--------------------------------|
| Restricted for University Priorities | | | |
| Prior Year's Budget Surplus | 110,000.00 | 110,000.00 | |
| Income | | | |
| 1830 Fund | 83,358.86 | 150,000.00 | (66,641.14) |
| Expenses | | | |
| Derby Day Expenses | 1,317.50 | | 1,317.50 |
| University Priorities | | 210,000.00 | (210,000.00) |
| President's Discretionary Fund | 15,983.18 | 50,000.00 | (34,016.82) |
| | 17,300.68 | 260,000.00 | (242,699.32) |
| Net Income for University Priorities | 176,058.18 | - | 176,058.18 |
| Unrestricted | | | |
| Prior Year's Budget Surplus | 40,000.00 | 40,000.00 | |
| Income | | | |
| 1% Fee on Endowed Funds | 255,157.56 | 295,000.00 | (39,842.44) |
| 2% Fee on Current Use Funds | 30,400.67 | 50,000.00 | (19,599.33) |
| Interest Income | 32,539.78 | 20,000.00 | 12,539.78 |
| | 318,098.01 | 365,000.00 | (46,901.99) |
| Expenses | | | |
| Fundraising/Cultivation | | | |
| Donor Relations | 9,145.01 | 10,000.00 | (854.99) |
| Donor Travel and Cultivation | 1,355.60 | 30,000.00 | (28,644.40) |
| Dues, Memberships and Donations | 5,355.00 | 10,000.00 | (4,645.00) |
| Contracted Services | 4,652.35 | 40,000.00 | (35,347.65) |
| Donor Recognition Events | 7,075.83 | 11,000.00 | (3,924.17) |
| Marketing and Direct Mail | 50,652.14 | 35,000.00 | 15,652.14 |
| Capital Campaign Expenses | 414.00 | | 414.00 |
| Staff Development Fees & Travel | 4,912.12 | 15,850.00 | (10,937.88) |
| Other Travel | 874.40 | 4,300.00 | (3,425.60) |
| Alumni Club Development | 6,265.82 | 20,000.00 | (13,734.18) |
| Foundation Operating Expenses | | | |
| Supplies | 3,666.32 | 14,000.00 | (10,333.68) |
| Postage, Printing & Copying | 21,650.66 | 18,000.00 | 3,650.66 |
| Audit & Accounting | 18,850.00 | 18,850.00 | - |
| Computer & Software Services | 63,677.14 | 79,000.00 | (15,322.86) |
| Insurance | 6,920.00 | 12,000.00 | (5,080.00) |
| Bank/Credit Card Fees | 8,916.93 | 12,000.00 | (3,083.07) |
| General Program Support | 15,000.00 | 75,000.00 | (60,000.00) |
| Total Expenses | 229,383.32 | 405,000.00 | (175,616.68) |
| Net Unrestricted Income | 128,714.69 | - | 128,714.69 |
| Total Net Restricted and Net Unrestricted Income | 304,772.87 | - | 304,772.87 |

University of North Alabama Foundation
Statement of Financial Position (unaudited)
June 30, 2021

Assets

Current Assets

| | |
|---------------------------|---------------------|
| Cash and Cash Equivalents | \$ 5,441,001.14 |
| Pledges Receivable | 484,581.69 |
| Interest Receivable | 12,375.38 |
| Total Current Assets | <u>5,937,958.21</u> |

Long-Term Investments

| | |
|--|----------------------|
| Restricted Assets for Long-Term Investment | 511,042.47 |
| Investments | 40,679,248.63 |
| Total Long-Term Investments | <u>41,190,291.10</u> |

| | |
|-------------------|-----------|
| Fixed Assets, Net | 98,650.00 |
|-------------------|-----------|

Other Assets

| | |
|-------------------------------------|-------------------|
| Cash Surrender Value Life Insurance | 172,125.88 |
| Pledges Receivable - Non-Current | <u>643,865.00</u> |

| | |
|---------------------|--------------------------------|
| Total Assets | <u><u>\$ 48,042,890.19</u></u> |
|---------------------|--------------------------------|

Liabilities and Net Assets

Liabilities

| | |
|---------------------|-------------------|
| Accounts Payable | \$ 269,513.50 |
| Annuity Obligations | 230,124.16 |
| Total Liabilities | <u>499,637.66</u> |

| | |
|------------|----------------------|
| Net Assets | <u>47,543,252.53</u> |
|------------|----------------------|

| | |
|---|--------------------------------|
| Total Liabilities and Net Assets | <u><u>\$ 48,042,890.19</u></u> |
|---|--------------------------------|

UNA FOUNDATION

**Proposed Operating Budget
Budget Fiscal Years 2021 - 2022**

| | Budget Fiscal Year 2022 | Budget Fiscal Year 2021 | Change Year Over Year |
|---|------------------------------------|------------------------------------|----------------------------------|
| Restricted for University Priorities | | | |
| Prior Year's Budget Surplus | 140,000.00 | 110,000.00 | |
| Income | | | |
| 1830 Fund | 120,000.00 | 150,000.00 | (30,000.00) |
| | 120,000.00 | 150,000.00 | (30,000.00) |
| Expenses | | | |
| University Priorities | 210,000.00 | 210,000.00 | - |
| President's Discretionary Fund | 50,000.00 | 50,000.00 | - |
| | 260,000.00 | 260,000.00 | - |
| Net Income for University Priorities | - | - | |
| Unrestricted | | | |
| Prior Year's Budget Surplus | 69,150.00 | 40,000.00 | |
| Income | | | |
| 1% Fee on Endowed Funds | 356,000.00 | 295,000.00 | 61,000.00 |
| 2% Fee on Current Use Funds | 45,000.00 | 50,000.00 | (5,000.00) |
| Interest Income | 30,000.00 | 20,000.00 | 10,000.00 |
| | 431,000.00 | 365,000.00 | 66,000.00 |
| Expenses | | | |
| Fundraising/Cultivation | | | |
| Donor Relations | 10,000.00 | 10,000.00 | - |
| Donor Travel and Cultivation | 35,000.00 | 30,000.00 | 5,000.00 |
| Dues, Memberships and Donations | 16,000.00 | 10,000.00 | 6,000.00 |
| Contracted Services | 10,000.00 | 40,000.00 | (30,000.00) |
| Donor Recognition Events | 11,000.00 | 11,000.00 | - |
| Marketing and Direct Mail | 109,500.00 | 35,000.00 | 74,500.00 |
| Staff Development Fees & Travel | 20,000.00 | 15,850.00 | 4,150.00 |
| Other Travel | 4,300.00 | 4,300.00 | - |
| Alumni Club Development | 35,000.00 | 20,000.00 | 15,000.00 |
| Foundation Operating Expenses | | | |
| Supplies | 10,000.00 | 14,000.00 | (4,000.00) |
| Postage, Printing & Copying | 29,500.00 | 18,000.00 | 11,500.00 |
| Audit & Accounting | 18,850.00 | 18,850.00 | - |
| Computer & Software Services | 92,000.00 | 79,000.00 | 13,000.00 |
| Insurance | 12,000.00 | 12,000.00 | - |
| Bank/Credit Card Fees | 12,000.00 | 12,000.00 | - |
| General Program Support | 75,000.00 | 75,000.00 | - |
| Total Expenses | 500,150.00 | 405,000.00 | 95,150.00 |
| Net Unrestricted Income | - | - | |
| Total Net Restricted and Net Unrestricted Income | - | - | |

Operating Reserve for FY 22: \$760,150 x 1/4 = \$190,037